



STATE OF UTAH
DEPARTMENT OF HEALTH

NORMAN H. BANGERTER, GOVERNOR

SUZANNE DANDOO, M.D., M.P.H., EXECUTIVE DIRECTOR

June 2, 1986
533-6146

RECEIVED
JUN 04 1986

DIVISION OF
OIL, GAS & MINING

Ms. Pam Liettig
Reclamation Engineer
Utah Division of Oil, Gas, & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Pam:

We have recently received a Reclamation Bond and a Standby Trust Agreement from the Texasgulf Chemicals Company for their Class III UIC injection facility near Moab.

Enclosed you will find a copy of these documents for your files. Thank you for your cooperation in review of the Texasgulf Reclamation Plan. If you have any questions or comments please call.

Sincerely,

Loren B. Morton, Geologist
Bureau of Water Pollution Control

Enclosure
cc: Mike Strieby, EPA - Region VIII

LBM:mw
0030B

elf aquitaine, inc.

High Ridge Park P.O. Box 10037 Stamford, CT 06904-2037

March 14, 1986

Corporate Office
(203) 358-5000

State of Utah
Department of Health
Bureau of Water Pollution Control
150 West North Temple
P.O. Box 45500
Salt Lake City, Utah 84145

Attention Calvin K. Sudweeks

Re: Texasgulf Reclamation Bond
Bond Number [REDACTED]
Our File: B - 10 - 86

Dear Mr. Sudweeks:

Enclosed is a bond executed by the St. Paul Fire and Marine Insurance Company in the total amount of \$1,097,000. This bond is required by the State of Utah as guarantee of Texasgulf obligation in plugging and abandoning several wells and shafts used in its Moab, Utah operation.

Sincerely,

Brian Woodward
Insurance Administrator

BW:san

enclosure

cc: L. Williams
C. Sterry (w/enclosure)

FINANCIAL GUARANTEE BOND

Dated bond executed: March 12, 1986

Effective date: March 12, 1986

Principal: Texasgulf, Inc.

(Legal name of owner or operator)

1208 Moab, Utah

(Business address of owner or operator)

Type of organization: Corporation

(Individual, joint venture,
partnership, or corporation)

State of incorporation: Delaware

Surety(ies): St. Paul Fire and Marine Insurance Company

(Name)

160 Water Street New York, N.Y. 10038

(Business address)

Identification Number, name, location, and plugging and abandonment amount(s) for each facility guaranteed by this bond (indicate plugging and abandonment amounts separately):

Utah Underground Injection Control Identification Number UTS26S20ESL1

<u>Texasgulf Well Number</u>	<u>Well Location*</u>	<u>Plugging and Abandonment Amount</u>
Shaft No. 1	SW1/4, SE1/4, Sec. 24, T.26S, R.20E (2,526,388.55 : 680,531.71)	\$ 691,952.
Shaft No. 2	SW1/4, SE1/4, Sec. 24, T.26S, R.20E (2,526,751.51 : 680,716.81)	\$ 26,661.
Well No. 1	NE1/4, SE1/4, Sec. 25, T.26S, R.20E (2,528,261.61 : 676,291.94)	\$ 21,041.
Well No. 3	NE1/4, NW1/4, Sec. 26, T.26S, R.20E (2,519,509.06 : 678,903.83)	\$ 15,743.
Well No. 4	NW1/4, NW1/4, Sec. 26, T.26S, R.20E (2,519,145.68 : 678,499.41)	\$ 15,743.
Well No. 5	SW1/4, NW1/4, Sec. 25, T.26S, R.20E (2,524,629.44 : 677,913.55)	\$ 16,120.
Well No. 6	SW1/4, NE1/4, Sec. 25, T.26S, R.20E (2,526,915.52 : 677,737.23)	\$ 28,701.
Well No. 7	NE1/4, SW1/4, Sec. 25, T.26S, R.20E (2,524,923.72 : 674,659.29)	\$ 12,229.
Well No. 8	NW1/4, SE1/4, Sec. 36, T.26S, R.20E (2,526,558.40 : 671,830.46)	\$ 67,160.
Well No. 9	NE1/4, SW1/4, Sec. 36, T.26S, R.20E (2,525,350.64 : 671,670.21)	\$ 8,747.
Well No. 10	SE1/4, NW1/4, Sec. 36, T.26S, R.20E (2,525,319.79 : 672,034.35)	\$ 9,314.
Well No. 11	SW1/4, NE1/4, Sec. 36, T.26S, R.20E (2,526,983.24 : 672,589.27)	\$ 7,220.
Well No. 12	SW1/4, SE1/4, Sec. 26, T.26S, R.20E (2,521,019.61 : 675,240.54)	\$ 15,775.
Well No. 13	NW1/4, SW1/4, Sec. 25, T.26S, R.20E (2,523,591.84 : 675,965.28)	\$ 7,655.
Well No. 14	SW1/4, NE1/4, Sec. 36, T.26S, R.20E (2,527,017.04 : 672,339.03)	\$ 9,260.
Well No. 15	SW1/4, NE1/4, Sec. 26, T.26S, R.20E (2,521,780.21 : 677,699.66)	\$ 18,092.
Well No. 16	NE1/4, NE1/4, Sec. 35, T.26S, R.20E (2,523,261.42 : 673,447.48)	\$ 14,060.
Well No. 17	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,528,501.38 : 678,539.45)	\$ 19,633.
Well No. 18	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,528,508.13 : 678,589.35)	\$ 17,640.
Well No. 19	SE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,528,417.63 : 677,819.44)	\$ 14,522.
Well No. 20	SE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,527,597.60 : 677,376.20)	\$ 12,659.
Well No. 21	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,527,597.60 : 679,247.96)	\$ 15,681.

Well No. 22	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,527,338.76 : 679,700.14)	\$ 15,681.00
Well No. 23	SE1/4, SE1/4, Sec. 24, T.26S, R.20E (2,527,840.54 : 680,491.55)	\$ 15,711.
Total penal sum of bond:		\$ 1,097,000.

*Salt Lake baseline and meridian coordinates. Numbers in parentheses are Texasgulf X (east) and Y (north) well coordinates, respectively.

Surety's bond number: [REDACTED]

KNOW ALL PERSONS BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto are firmly bound to the Utah Water Pollution Control Committee (hereinafter called WPCC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under the Underground Injection Control Regulations (UIC), to have a permit or comply with requirements to operate under rule in order to own or operate each injection well identified above, and

WHEREAS said Principal is required to provide financial assurance for plugging and abandonment as a condition of the permit or provisions to operate under rule, and

WHEREAS said Principal shall establish a standby trust fund at 1st Security bank in accordance with the provisions of the attendant trust agreement;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of plugging and abandonment of each injection well identified above, fund the standby trust fund in the amount(s) identified above for the injection well,

Or if the Principal shall fund the standby trust fund in such amount(s) within 15 days after an order to begin plugging and abandonment is issued by Executive Secretary of the WPCC (herein after called Executive Secretary) or a U.S. district court or other court of competent jurisdiction,

Or, if the Principal shall provide alternate financial assurance, as specified in Subpart F of 40 CFR Part 144, as applicable, and obtain the Executive Secretary's written approval of such assurance, within 90 days after the date of notice of cancellation is received by both the Principal and the Executive secretary from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the Executive Secretary that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the injection well(s) into the standby trust funds as directed by the Executive Secretary.

The Surety(ies) hereby waive(s) notification of amendments to plugging and abandonment plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the Executive Secretary, provided, however, that that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the Executive Secretary, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Executive Secretary.

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond in order to renew any UIC permit granted by the WPCC, so that it guarantees a new plugging and abandonment amount, provided that no decrease in the penal sum takes place without the written permission of the Executive Secretary.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

PRINCIPAL:

Texasgulf Inc.

(Name)

High Ridge Park/Box 10037/Stamford, CT

(Address)

06904-2037

(Signature(s)) F.W. White

Sr. Vice President

(Title(s))

Corporate Seal

CORPORATE SURETY(IES):

St. Paul Fire and Marine Insurance Company

(Name)

160 Water Street New York, N.Y.

(Address)

(Signature(s))

Clista M. Doyle Attorney-in-fact

(Title(s))

Corporate Seal

Delaware

State of Incorporation

\$

Bond Premium

Minnesota

State of Incorporation

\$

Liability Limit

(For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.)

CORPORATION ACKNOWLEDGMENT



STATE OF CONNECTICUT
COUNTY OF FAIRFIELD } ss:

On this 13th day of March, 19 86, before me personally came Mr. F. Wayne White to me known, who being by me duly sworn, did depose and say; that he resided in Southport, CT that he is the Senior Vice President of Texasgulf Inc. the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Sharyl Nelson
Sharyl Nelson Notary Public.

10992 Ed. 2-56 Printed in U.S.A.

My Commission expires 3/31/90

STATE OF NEW YORK
COUNTY OF New York } ss:

SURETY ACKNOWLEDGEMENT - N. Y.

On the 12th day of March in the year 19 86, before me personally came Clista M. Doyle, to me known, who, being by me duly sworn, did depose and say that he/she resides in Bklyn, N.Y.; that he/she is

the Attorney-in-Fact of the ST. PAUL FIRE AND MARINE INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of Insurance of the State of New York, has, pursuant to Section 327 of the Insurance Law of the State of New York, issued to ST. PAUL FIRE AND MARINE INSURANCE COMPANY his/her certificate of qualification, evidencing the qualification of said Company and its sufficiency under any law of the State of New York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate has not been revoked.

DIANE M. McCARTHY
Notary Public, State of New York
No. 244731503
Qualified in Kings County
Cert. filed in New York County
Term Expires March 30, 1986

Diane M. McCarthy
Notary Public

11629 Rev. 5-66 Printed in U.S.A.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 800-328-2189 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

828225

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
(Original on File at Home Office of Company. See Certification.)

KNOW ALL MEN BY THESE PRESENTS: That **St. Paul Fire and Marine Insurance Company**, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

**A. Lawrence Miller, Bradford L. Bane, Diane M. Hershkowitz,
Clista M. Doyle, Bruce R. Williams, individually, New York, New York**

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

UNLIMITED AS TO CHARACTER AND AMOUNT

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said **St. Paul Fire and Marine Insurance Company**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Board of Directors of **ST. PAUL FIRE AND MARINE INSURANCE COMPANY** at a meeting called and held on the 23rd day of January, 1970, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
- (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 6th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."



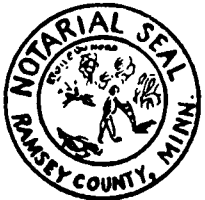
IN TESTIMONY WHEREOF, **St. Paul Fire and Marine Insurance Company** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 1st day of March, A.D. 1984.

STATE OF MINNESOTA } ss.
County of Ramsey

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

[Signature]
Vice President

On this 19th day of September, 1985, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of **St. Paul Fire and Marine Insurance Company**; that the seal affixed to said instrument is the Corporate Seal of Said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of St. Paul, Minnesota, the day and year first above written.

Mary Clancy

MARY C. CLANCY, Notary Public, Ramsey County, MN
My Commission Expires November 1, 1990

CERTIFICATION

I, the undersigned officer of **St. Paul Fire and Marine Insurance Company**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

12th day of March, 1986

[Signature]
Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

Financial Statement - September 30, 1985

Property & Liability Insurance

St. Paul Fire and Marine Insurance Company

Assets

Liabilities, Surplus & Other Funds

Bonds	\$3,149,484,518
Stocks	772,488,350
Mortgage Loans	131,705,843
Real Estate	42,919,214
Collateral Loans	17,000,000
Cash on Hand/Deposit	22,649
Short Term Investments	90,166,223
Other Invested Assets	3,516,418
Agent's Balances	443,575,496
Bills Receivable	9,573,415
Reinsurance Recoverable	48,879,740
Federal Income Tax Recoverable	680,437
EDP Equipment	9,111,603
Accrued Interest & Dividends	104,000,374
Receivable from Affiliates	17,034,726
Equity/Deposits/Pool/Assoc.	24,187,936
Other Assets	7,011,447
Receivable for Securities	14,284,271
Charitable Trust Assets	15,000,000

Losses	\$2,507,962,348
Loss Adjustment Expense	585,958,050
Contingent Commissions	14,113,602
Other Expenses	10,309,503
Expenses & Fees	12,900,655
Federal & Foreign Income Taxes	6,273,881
Miscellaneous Liability	371,361
Unearned Premiums	916,322,026
Dividends - Policyholders	19,999,448
Funds Held - Reins. Treaties	20,577,024
Funds Withheld	9,327,072
Reins. Unath. Cos. Less Funds Held	37,792,109
Adjustment for Foreign Exchange	8,936,211
Drafts Outstanding	584,201
Payable to Affiliates	9,421,118
Payable for Securities	28,852,023
Other Liabilities	22,901,859
Special Reserve-Guaranty Fund	1,000,000
TOTAL LIABILITIES	\$4,213,602,140
Guaranty Surplus Fund	\$ 1,000,000
Capital Paid Up	20,000,000
Surplus	666,040,528

Surplus as Regards Policyholders 687,040,529

TOTAL ASSETS \$4,900,642,669

TOTAL LIABILITIES & SURPLUS \$4,900,642,669

Securities carried at \$99,654,258 in the foregoing statement, are deposited as required by law.

Robert K. Dybdal, Treasurer of the St. Paul Fire and Marine Insurance Company, being duly sworn, deposes and says that he is the above described officer of said Company; that said Company is a corporation duly organized, existing and engaging in business as a surety company under and by virtue of the laws of the State of Minnesota, and has duly complied with all requirements of the laws of said State applicable to said Company and is duly qualified to act as Surety under such laws; that the above is a true statement of the Assets and Liabilities of said Company of the 30th day of September 1985.

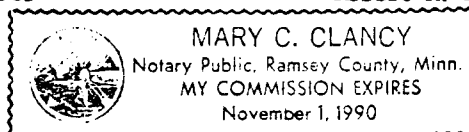
Subscribed and sworn to before me this

15th day of November, 1985

Mary C. Clancy

Robert K. Dybdal

Robert K. Dybdal, Treasurer



**First
Security
Bank
of Utah**

Trust Division
79 South Main Street
Salt Lake City, Utah 84111

Mailing Address:
P.O. Box 30007
Salt Lake City, Utah 84130

RECEIVED

May 28, 1986

MAY 28 1986

**BUREAU OF WATER
POLLUTION CONTROL**

Water Pollution Control Committee HAND DELIVERED
State of Utah
4108 State Office Building
Salt Lake City, Utah 84145-0500
Attn: Mr. Loren B. Morton

Re: Texasgulf Standby Trust
Moab Potash Operations

Gentlemen:

Enclosed is a fully-executed Standby Trust Agreement for the
above-referenced transaction.

If you have any questions, please call me at (801)350-5208 or
Lowell Williams at (203)358-5188.

Very truly yours,

Nancy M. Dahl

Nancy M. Dahl
Corporate Trust Counsel
(801) 350-5208

NMD:cl
Enclosure
(c.38)

cc: Lowell Williams

STANDBY TRUST AGREEMENT

Utah Water Pollution Control Committee
Underground Injection Control
Financial Responsibility Requirement

TRUST AGREEMENT, the "Agreement," entered into as of April 14, 1986,
(date)

by and between Texasgulf Inc.,
(name of owner or operator)

a Delaware Corporation, the "Grantor,"
(name of state) (corporation, partnership,
association, or proprietorship)

and First Security Bank of Utah, N.A., () incorporated in the
(name of corporate trustee)

State of Utah or (X) a bank authorized to do business in the State
of Utah, the "Trustee."

WHEREAS, the Utah Water Pollution Control Committee "WPCC", an agency of the Utah State Government, has established certain regulations applicable to the Grantor, requiring that an owner or operator of an injection well shall provide assurance that funds will be available when needed for plugging and abandonment of the injection well, and

WHEREAS, the Grantor has elected to obtain a surety bond and establish a standby trust to provide all or part of such financial assurance for the facility(ies) identified herein, and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.

(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

(c) "Facility" or "activity" means any underground injection well or any other facility or activity that is subject to regulation under the Underground Injection Control (UIC) Program.

Section 2. Identification of Facilities and Cost Estimates.

This Agreement pertains to the facilities and cost estimates identified in Schedule A (attached). (Schedule A lists, for each facility, the Utah UIC identification number, name, address, and the current plugging and abandonment cost estimate, or portions thereof, for which financial assurance is demonstrated.)

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund," for the benefit of WPCC. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as a standby trust fund not consisting of any properties and monies with future funding to be from amounts provided by the Grantor, or surety under the Financial Guarantee Bond, a copy of which is attached as Schedule B. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by WPCC.

Section 4. Payment for Plugging and Abandonment. The Trustee shall make payments from the Fund as the Executive Secretary of the WPCC, hereinafter called Executive Secretary, shall direct, in writing, to provide for the payment of the costs of plugging and abandonment of the injection wells covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the Executive Secretary from the Fund for plugging and abandonment expenditures in such amounts as the Executive Secretary shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the Executive Secretary specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, except that:

(a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 USC 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government;

(c) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered to the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

Section 10. Annual Valuation. Commencing after initial funding of the trust, the Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the Executive Secretary a statement confirming the value of the Trust. Any securities in the Fund shall be valued at the market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the Executive Secretary shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply

to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the Executive Secretary, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instruction by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A, or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instruction. All orders, requests, and instructions by the Executive Secretary to the Trustee shall be in writing, signed by the Executive Secretary or a designee and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or WPCG hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or WPCG except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the Executive Secretary, or by the Trustee, and Executive Secretary if the Grantor ceases to exist.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the Executive Secretary, or by the Trustee and the Executive Secretary if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Executive Secretary issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or by the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 18. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Utah.

Section 19. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

IN WITNESS WHEREOF, the parties below have caused this Agreement to be executed by their respective officers duly authorized and the corporate seals to be hereunto affixed and attested as of the date first above written.

TEXASGULF INC.

By:

Earl L. Huntington
(Signature of Grantor)
Earl L. Huntington

Senior Vice President
and General Counsel
(Title)

Attest:

Lowell Williams
Lowell Williams

(SEAL)

FIRST SECURITY BANK OF UTAH, N.A.
AS TRUSTEE

By:

Norman M. Dell
(Signature of Trustee)
CORPORATE TRUST OFFICER
(Title)

Attest:

Dorian F. Shaw
Trust Administrator
(Title)

(SEAL)

CERTIFICATE OF ACKNOWLEDGMENT
FOR
STANTBY TRUST FUND AGREEMENT

STATE OF CONNECTICUT
COUNTY OF FAIRFIELD

On this 27th day of May, 1986, before me personally came Earl L. Huntington to me known, who, being by me duly sworn, did depose and say that he resides at One Maywood Court, Darien, Connecticut 06820, that he is Senior Vice President and General Counsel of Texasgulf Inc., the corporation described in and which executed the above instrument; that he knows that seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

MARLENE F MILLER
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31 1991

Marlene F. Miller
(Notary Public)

SCHEDULE A

Identification of Facilities and Cost Estimates

Schedule A is referenced in the trust agreement dated April 14, 1986

by and between Texasgulf Inc.
(name of owner or operator)

the "Grantor," and First Security Bank of Utah, N.A.
(name of trustee)

the "Trustee."

Utah Underground Injection Control Identification Number UTS26S20ESL1

<u>Texasgulf Well Number</u>	<u>Well Location*</u>	<u>Plugging and Abandonment Amount</u>
Shaft No. 1	SW1/4, SE1/4, Sec. 24, T.26S, R.20E (2,526,388.55 : 680,531.71)	\$ 691,952
Shaft No. 2	SW1/4, SE1/4, Sec. 24, T.26S, R.20E (2,526,751.51 : 680,716.81)	\$ 26,661
Well No. 1	NE1/4, SE1/4, Sec. 25, T.26S, R.20E (2,528,261.61 : 676,291.94)	\$ 21,041
Well No. 3	NE1/4, NW1/4, Sec. 26, T.26S, R.20E (2,519,509.06 : 678,903.83)	\$ 15,743
Well No. 4	NW1/4, NW1/4, Sec. 26, T.26S, R.20E (2,519,145.68 : 678,499.41)	\$ 15,743
Well No. 5	SW1/4, NW1/4, Sec. 25, T.26S, R.20E (2,524,629.44 : 677,913.55)	\$ 16,120
Well No. 6	SW1/4, NE1/4, Sec. 25, T.26S, R.20E (2,526,915.52 : 677,737.23)	\$ 28,701
Well No. 7	NE1/4, SW1/4, Sec. 25, T.26S, R.20E (2,524,923.72 : 674,659.29)	\$ 12,229
Well No. 8	NW1/4, SE1/4, Sec. 36, T.26S, R.20E (2,526,558.40 : 671,830.46)	\$ 67,160
Well No. 9	NE1/4, SW1/4, Sec. 36, T.26S, R.20E (2,525,350.64 : 671,670.21)	\$ 8,747
Well No. 10	SE1/4, NW1/4, Sec. 36, T.26S, R.20E (2,525,319.79 : 672,034.35)	\$ 9,314
Well No. 11	SW1/4, NE1/4, Sec. 36, T.26S, R.20E (2,526,983.24 : 672,589.27)	\$ 7,220
Well No. 12	SW1/4, SE1/4, Sec. 26, T.26S, R.20E (2,521,019.61 : 675,240.54)	\$ 15,775
Well No. 13	NW1/4, SW1/4, Sec. 25, T.26S, R.20E (2,523,591.84 : 675,965.28)	\$ 7,665
Well No. 14	SW1/4, NE1/4, Sec. 36, T.26S, R.20E (2,527,017.04 : 672,339.03)	\$ 9,260
Well No. 15	SW1/4, NE1/4, Sec. 26, T.26S, R.20E (2,521,780.21 : 677,699.66)	\$ 18,092

Well No. 16	NE1/4, NE1/4, Sec. 35, T.26S, R.20E (2,523,261.42 : 673,447.48)	\$ 14,060
Well No. 17	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,528,501.38 : 678,539.45)	\$ 19,633
Well No. 18	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,528,508.13 : 678,589.35)	\$ 17,640
Well No. 19	SE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,528,417.63 : 677,819.44)	\$ 14,522
Well No. 20	SE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,527,597.60 : 677,376.20)	\$ 12,659
Well No. 21	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,527,597.60 : 679,247.96)	\$ 15,681
Well No. 22	NE1/4, NE1/4, Sec. 25, T.26S, R.20E (2,527,338.76 : 679,700.14)	\$ 15,681
Well No. 23	SE1/4, SE1/4, Sec. 24, T.26S, R.20E (2,527,840.54 : 680,491.55)	\$ 15,711

Total penal sum of bond: \$ 1,097,000.

*Salt Lake baseline and meridian coordinates. Numbers in parentheses are Texasgulf X (east) and Y (north) well